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FISCAL IMPACT STATEMENT

LS 6043

BILL NUMBER: SB 10

NOTE PREPARED: Jan 31, 2013

BILL AMENDED: Jan 31, 2013

SUBJECT: Valuable Metal Dealers and Used Jewelry Sales.

FIRST AUTHOR: Sen. Steele

FIRST SPONSOR:

BILL STATUS: 2nd Reading - 1st House

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) *Jewelers & Valuable Metal Dealers*- The bill provides that a jeweler regulated under the law concerning used jewelry sales is not subject to regulation as a valuable metal dealer.

Used Jewelry Sales- The bill provides that the law concerning used jewelry sales does not apply to a person who purchases or resells an article of used jewelry if the person: (1) purchases or resells the article of used jewelry through the Internet; and (2) sold less than \$5,000 of jewelry during the 12-month period preceding the date the person purchases or resells the article of used jewelry through the Internet.

Effective Date: July 1, 2013.

Explanation of State Expenditures: *Jewelers & Valuable Metal Dealers*- This provision would have minimal, if any, administrative impact to the Indiana State Police (ISP).

Background: Valuable metal dealers, subject to the regulation of valuable metal dealers law, are required to fill out and maintain a record of sales of certain valuable metals whenever a transaction occurs with a person wishing to sell or buy the metals to or from a dealer. Valuable metal dealers maintain the records, not the ISP. However, the ISP may inspect the valuable metal records of a dealer at any time.

The U.S. Bureau of Census reports that there were 376 jewelry stores in Indiana as of March 2010.

Explanation of State Revenues: *Jewelers & Valuable Metal Dealers*- Dealers that do not comply with the

valuable metal dealers law are subject to a Class A infraction. Theoretically, with fewer dealers required to register valuable metals transactions, the number of Class A infractions could decrease. The maximum judgment for a Class A infraction is \$10,000. Revenues from infraction judgements are deposited in the state General Fund. However, it is likely, that state General Fund revenues would be minimally reduced as a result of this bill.

(Revised) *Used Jewelry Sales*- Violation of the used jewelry statute constitutes a Class A misdemeanor. With fewer used jewelry sale transactions regulated, fewer court cases may occur and fines collected. As a result, revenue to both the Common School Fund (from fines) and the state General Fund (from court fees) would decrease. The maximum fine for a Class A misdemeanor is \$5,000. However, any reduction in revenue would likely be small.

Explanation of Local Expenditures: *Jewelers & Valuable Metal Dealers*- The provision of this bill would have minimal, if any, administrative impact to local law enforcement.

(Revised) *Used Jewelry Sales*- A Class A misdemeanor is punishable by up to one year in jail. If fewer incarcerations occur, local jail expenditures would be reduced. Any reduced expenditures are likely to be minimal.

Explanation of Local Revenues: *Class A Infractions & Misdemeanors*- If fewer court actions are filed and judgments entered, local governments would receive less revenue from court fees. However, any reduction in revenue is likely to be minimal.

State Agencies Affected: Indiana State Police.

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources: Indiana State Police; U.S. Bureau of Census, County Business Patterns 2010.

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